

Section 1 Introduction

1.1 Welcome

Thank you for participating in the California Franchise Tax Board's Individual e-file Program. Whether you are a new or returning participant, we welcome you aboard and are pleased you are here.

This publication contains technical information you will need to process individual e-file returns including, what's new for taxable year 2005, e-file forms, data entry procedures, error code descriptions, and form field exhibits. You'll want to familiarize yourself with the contents of this supplement and keep it handy for the e-filing season.

This publication supplements FTB Pub. 1345, *2005 e-file Handbook for Authorized e-file Providers*, which contains the requirements for participation in our e-file Programs.

1.2 Where Can I Get More Information?

For e-file assistance and information please visit our Website or contact e-Programs Customer Service:

Website: www.ftb.ca.gov/professionals/efile

e-Programs Customer Service:

Available Monday through Friday, between 8 a.m. and 5 p.m.

Phone: (916) 845-0353

Fax: (916) 845-0287

Email: e-file@ftb.ca.gov

Send comments or suggestions regarding the California e-file Program or this publication to:

**e-file Coordinator, MS F-284
Franchise Tax Board
PO Box 1468
Sacramento CA 95812-1468**

Email: e-file.coordinator@ftb.ca.gov

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

1.3 Promote Your Business on FTB's Website

Taxpayers visiting our Website can search for Authorized Individual e-file Providers by ZIP Code or city name. This service includes contact information such as business name, address, and telephone number for all Electronic Return Originators (EROs) in good standing with our Individual e-file Program. Check out this service at www.ftb.ca.gov and search for **e-file provider**.

If your contact information changes or you do not wish to be included in this listing, please contact e-Programs Customer Service.

1.4 e-file Calendar - Taxable Year 2005

You can submit your *California e-file Program Participant Enrollment Form* (form FTB 8633) throughout the year.

November 21, 2005	FTB begins accepting test transmissions (PATS Testing) Testing will begin upon release of the <i>Test Package for e-file of Individual Income Tax Returns</i> (FTB Pub. 1436).
January 3, 2006	First day to transmit live returns
April 17, 2006	Last day to transmit timely-filed returns California state personal income tax returns have an automatic six-month extension date for timely filing. All taxes owed must be paid by April 17. If the balance due is not paid by April 17, penalties and interest may apply.
April 25, 2006	Last day to retransmit rejected timely-filed returns
April 28, 2006	FTB stops accepting test transmissions
October 16, 2006	Last day to transmit returns
October 21, 2006	Last day to retransmit rejected returns
December 31, 2006	Last day for EROs and transmitters to retain acknowledgment file material for returns e-filed in 2006 Remember: For each return an ERO files, the ERO must retain the return for four years from the due date of the return or for four years from the date the return is filed, whichever is later. If the ERO uses either the <i>California e-file Return Authorization for Individuals</i> (form FTB 8453) or the <i>California e-file Signature Authorization for Individuals</i> (form FTB 8879), they must keep the form with the return for the same period of time.

1.5 What's New for Taxable Year 2005?

Business e-file (Form FTB 100)

Beginning January 2006, we offer e-filing of corporation Form 100 returns and certain accompanying forms and schedules. For more information on Business e-file refer to FTB Publication 1345B, *2005 Business e-file Handbook for Authorized e-file Providers of California Business Returns*, or go to our Website at www.ftb.ca.gov and search for **Business e-file**.

Subscription Service

Subscription Service is a free Web-based ListServ email system that allows you to sign up to receive desired information directly to your email account. Go to www.ftb.ca.gov and search for **Subscription Service** to subscribe to:

- Tax News – Stay informed with current state tax laws, FTB regulations, policies, procedures, and events with short news articles.

All current subscriptions will be automatically transferred.

- e-file News – Receive short updates about important issues that may affect you.

e-file CD Discontinued

We have discontinued our e-file CD (FTB 1345C). You can now get all the information contained on the CD on our Website in the e-file tax professionals' area (www.ftb.ca.gov/professionals/efile).

Forms and Schedule Changes

Changes

- Deleted Form 3504, *Long-Term Care Credit*
- Deleted Form 3535, *Manufacturers' Investment Credit*

Voluntary Contribution Changes

Added Veterans' Quality of Life Fund
Added California Sexual Violence Victim Services Fund
Added California Colorectal Cancer Prevention Fund
Deleted Asthma and Lung Research Fund
Deleted California Missions Fund

Error Codes

New Error Codes

New error codes are designated as "New" in Section 8.

Modified Error Codes

306, 310, 518, 526, 538, 540

1.6 Reminders

Mandatory e-file

California law requires individual income tax returns prepared by certain income tax preparers to be e-filed unless the individual return cannot be e-filed due to reasonable cause. Reasonable cause includes a taxpayer's election to opt-out (choose not to e-file).

If you prepared more than 100 California individual income tax returns in any calendar year beginning January 1, 2003 or after and in the following calendar year prepare one or more using tax preparation software, then you must e-file all acceptable individual returns in that following year and all subsequent calendar years thereafter.

To learn more about this important law, refer to Section 2.4 of the *2005 e-file Handbook* (FTB Pub. 1345) or go to our Website at www.ftb.ca.gov and search for **Mandatory e-file**.

Online e-file Program Enrollment Form

You can enroll or update your enrollment information online at our [Website](#). Log in using your IRS-issued Electronic Filer Identification Number (EFIN) and complete the one-page form online. Click the submit button and e-Programs Customer Service can begin processing your form immediately. When you enroll or update your information online there is nothing to mail to FTB.

e-Signature Program

We offer the same PIN methods as the IRS: the Self-Select PIN, the Practitioner PIN, and the ERO PIN.

To facilitate the e-Signature Program we offer the following forms:

- *California e-file Signature Authorization for Individuals* (form FTB 8879) – Used to record and print taxpayer and tax preparer/ERO signature information when a return is using the Practitioner PIN method.
- *California e-file Payment Record for Individuals* (form FTB 8455) – Used to record and print payment information when a return is signed electronically.

Note: This form is optional. Some software companies may report or document payment information on a separate form, record, or summary page.

All signature methods, including pen-on-paper using FTB 8453, will be accepted for all California Individual e-file return types (Form 540, 540 2EZ, 540NR, and 540NRS).

To learn more about this program, refer to Section 3 of this publication.

California e-file Signature Authorization for Individuals (FTB 8879) and California e-file Return Authorization for Individuals (FTB 8453)

You can accept your client's form FTB 8879 or form FTB 8453 via fax. Remember, when using the Practitioner PIN e-Signature or pen-on-paper signature options, you must receive a signed authorization form **before** you transmit the return. Also, you must retain the signed copy for four years from the day you transmit the return or four years from the due date of the return, whichever is later. **Do not mail FTB 8879 or FTB 8453 to the FTB or IRS.**

State Employer Identification Number (SEIN)

The SEIN consists of all characters from box 15 of the taxpayer's Form W-2. This entry can be up to 14 positions long. We will accept any character in this field, including numbers, alpha characters, spaces, dashes, and other punctuation marks or symbols. Enter the information exactly as it appears in box 15. If box 15 is blank, leave the e-file field blank.

The 2-position (alpha only) field preceding the SEIN must contain the two-letter state abbreviation.

Estimated Tax Payment Request with e-file Return

e-file provides the ability to send a schedule of electronic funds withdrawal requests for estimated tax payments as part of the e-file return transmission. Your software will record the date and amount of the payment requests in the return form record and will display the information on the *California e-file Payment Record for Individuals* (FTB 8455), *California e-file Return Authorization for Individuals* (FTB 8453) or on your software's proprietary payment information form or summary. To cancel a scheduled estimate payment, your client must call us at least two working days before the date of the withdrawal. The number to call is (916) 845-0353.

Planned System Maintenance Schedule

We reserve Tuesday mornings from 5:00 a.m. to 6:00 a.m. PST for scheduled system maintenance. **This impacts only EROs who transmit returns directly to FTB.** We plan to consolidate all non-critical maintenance activity into this window. If you receive a transmission error during this time, please try again after 6:00 a.m. PST. We will notify you via email whenever our system is down outside the normal maintenance window for longer than one hour.

1.7 Using FTB's Website

The following services are available on FTB's Website to assist you and your clients.

Customer Service Number (CSN)

The CSN is required as the authentication key for using our online services. To use these services on your client's behalf, you will need their permission and their CSN. We encourage you to check out these services and recommend them to your clients. See below for a description of these services.

Taxpayers and their authorized representatives can obtain their CSN by visiting our Website at www.ftb.ca.gov and searching for **CSN**.

Check your account balance and view payments you've made

This service allows taxpayers and their authorized representatives to view current year payment activity, the total balance due on the account, up to 25 estimated payments, and tax year summaries (tax computation) with payments applied. Go to www.ftb.ca.gov and search for **View Payments** to access this service. The taxpayer's unique SSN/CSN combination is required for authentication.

Web Pay

Taxpayers can use Web Pay, our online payment service, to make their return payment, pay their tax bills, or make estimated tax payments. The process is similar to arranging an online bill payment. Taxpayers enter their account information, the kind of payment they're making, the amount of the payment, and the date they want the payment made. We'll deduct the specified amount on the date they indicate. The taxpayer's unique SSN/CSN combination is required for authentication. Go to www.ftb.ca.gov and search for **Web Pay**.

Electronic Installment Agreement

This service simplifies and speeds up the process of applying for an installment agreement.

Taxpayers complete the application in a secure section of our Website, using their CSN for authentication. We instantly send them confirmation that we received the application, including a 10-digit confirmation number that they can use to check the status of their request. We will notify them of the status of their request within 30 days. The agreement is not valid until we approve the application. This service is for taxpayers' use only. Go to www.ftb.ca.gov and search for **eIA**.